

ARIZONA RACING COMMISSION

598TH REGULAR MEETING

WEDNESDAY, JUNE 09, 2010

MINUTES OF PUBLIC MEETING

A public meeting of the Arizona Racing Commission was convened on Wednesday, June 09, 2010, beginning at 10:06 a.m. in the Building Conference Room, Suite 250, at 1110 West Washington Street, Phoenix, Arizona 85007.

Present:	Chair	Paul Ulan
	Vice Chair	Mel McDonald (Telephone)
	Commissioner	Burton S. Kruglick
	Commissioner	Thomas E. Kelly
	Commissioner	Erin Owens

Also Present: Lonny T. Powell- ADOR Director, Nancy J. Beck- Assistant Attorney General, and Kim McCollum- Commission Secretary

A. Call to Order

Chair Ulan called the 598th Regular Meeting of the Arizona Racing Commission to order at 10:06 a.m.

The following matters were discussed, considered and decided at the meeting:

Approval of the Minutes:

Minutes of the 597th Regular Meeting held Wednesday, May 12, 2010, **Chair Ulan** called for a motion to approve the minutes. **Commissioner Kelly** moved for approval. **Commissioner Kruglick** seconded the motion. **All in favor**

B. Information Reports

1. **Department Monthly Report – Director Powell** reported that he attended Opening Day at Yavapai Downs and it was a nice turnout. While at Yavapai, he had the opportunity to talk to horsemen and other licensees and the overall message was one of appreciation for the efforts made by Yavapai management to make this the best meet possible. **Director Powell** conducted a meeting with Tucson Greyhound Park Management and did a walk-thru at the facility to see how things were going. **Director Powell** also conducted meetings for ADOR employees based in Pima at Tucson Greyhound Park County and Yavapai at Yavapai Downs. **Director Powell** facilitated a meeting in May with the principles of Rillito Downs in an effort to assist, determine, and support the future of Rillito Downs and Pima County horseracing. **Director Powell** also attended, at the invitation of the Rillito principles, and testified before the Pima County Parks and Recreation Department about the importance of horse racing in the Pima County area. **Director Powell** held another brainstorm Roundtable Budget Discussion and reported that the Department was going to proceed with its transitional budget. **Commissioner Owens** asked if the Department had made any changes since the last presentation and if the Department had listed any potential self-funding sources. **Director Powell** replied that the Department was still trying to achieve maximum, though reasonable and equitable, funding from the industry to replace general fund appropriations and that the next steps would be to develop a budget and add support documents with legislative drafts to help replace anticipated future decreases in appropriations from the General Fund. **Director Powell** closed by stating that the process was going to be extremely difficult, though far from impossible, and that there were many hurdles in the process.

2. Permittee Operations Reports

- **County Fairs – No Report**
- **Phoenix Greyhound Park – No Report**
- **Rillito Park – Steve Brody, Chairman of Racing Commission at Rillito** reported that Rillito experienced a great meet with only 1 rainout day out of 12. The other 11 days had handles that averaged \$100,000 and 5,000-7,500 people attending per day. He further stated that on June 04, 2010 he attended a meeting with Pima County Parks and Recreation Department with the intent of negotiating a fair lease amount for Rillito, a non-profit organization. He stated that a fair lease amount would be an amount comparable to what other non-profit organizations pay. He went on to state that their current rent amount is \$1,300 and the county is proposing to raise the rent to \$1,800 a month. **Mr. Brody** stated that talk resumed about moving racing to the fairgrounds but this had been defeated in the past. He also stated that there was going to be another meeting in July and Rillito would attend and present a lease proposal which would request to keep the rent at the same rate and provide information on rental rates for other non-profit organizations. **Mr. Brody** also

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stated in an effort to be proactive they have taken over the concession stand and receive all the profits instead of a percentage. **Mr. Brody** closed by stating the meet purses were the best they had been in a long time, there were no horse breakdowns, the track was in really good shape, and there were no serious complaints.

- **Tucson Greyhound Park – No Report.**
- **Turf Paradise – Eugene Joyce, General Manager** reported that, if approved, Turf Paradise would be opening its 12th OTB and hopefully, six more before Yavapai ends. He further stated that Turf's management met with the Condition Book Committee to discuss purses for next year and the stakes program. Overnight purses will remain the same and the stake's program was reduced from 16% overall purse schedule toward stakes races to 12%, with the hopes of keeping more money in Arizona racing. **Chair Ulan** asked about the overall handle. **Mr. Joyce** answered that it was down marginally, like 5%. He further stated an \$800,000 settlement received by Turf Paradise from a lawsuit with TVG was put into the purse account and that Turf had paid out over \$11 million in purses in the last meet.
- **Yavapai Downs – Gary Spiker, General Manager** reported that Yavapai had been opened for about two weeks and that things looked well. He further reported that there were 1,044 horses out of 1,100 stalls, the horsemen were pleased, and the track was in great shape. He stated that there was some concern about them being upside down and that after the third week, they planned to do an analysis. **Chair Ulan** asked about the handle. **Mr. Spiker** answered that off track betting was up about 17%. **Chair Ulan** remarked about issues that Yavapai experienced with last year's meet. **Mr. Spiker** commented that they were evaluating things and they were a little concerned that they would be upside down the first couple of weeks. He went on to state that the last thing they wanted to do was drop purses so after the third week track management would sit down with horsemen and evaluate the situation. He emphasized that the track was in great shape and if they experienced rain, similar to last year's meet, they would be fine because the rain should drain well without getting caught under the fence. He further stated that simply painting the outside rail has helped to prevent having accidents. **Commissioner Owens** asked if live handle was up or down compared to last year. **Mr. Spiker** answered that attendance had been good on the weekends and Mondays and Tuesdays were good OTB days. He further stated that they started races 20 minutes earlier and which helped with picking up other tracks.

C. New Business Reports

The following New Business items are for status report, presentation, discussion, and possible action for the Commission:

1. **Status updates on pending commercial permit applications – Assistant Director, Joyce Cozby**, provided the Commission with the following updates:
 - **Apache Greyhound Park** – (application pending) On May 24, 2010 the application was declared administratively complete and entered into the Substantive Review phase of the application process. On June 08, 2010, the Department sent out a request for more information. **Chair Ulan** asked when the Department expected the matter to come before the Commission. **Ms. Cozby** answered that once the applicant responds to the questions from Veriti Consulting, the Department and the consulting firm would review it, and would put the matter before the Commission in approximately two months.
 - **Rillito Park**- On September 14, 2009 a commercial application was mailed to the applicant and the Department had not received a response.
 - **Tucson Greyhound Park**-The applicant requested an application package to be mailed early and the Department complied by mailing the application on May 6, 2010. The Department had not received a response.
 - **Yavapai County Fair Association**- The application is in the Substantive review phase of the renewal process and the Department mailed a comprehensive written request for additional information on October 22, 2009. The Department had not received a response.
 - **Yavapai County Farm & Agriculture Association**- The applicant requested an application package and the Department responded by mailing it on November 16, 2009. The Department had not received a response.
 - **American Greyhound Racing for Apache and Phoenix Greyhound Park**- The Department will mail the applicant a renewal package on July 01, 2010.
2. **Request for the conditional approval of Off Track Betting license for Turf Paradise and Yavapai Downs at Arena Sports Grill in Phoenix, Arizona**- The Department recommended conditional approval of the OTB license.

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Assistant Attorney General, Nancy Beck, asked if the permit was conditional on the requestors demonstrating to the Department that they met all the requirements before they opened the facility. **Chair Ulan** replied that that was correct. **Chair Ulan** called for a motion for a conditional approval of an OTB permit for the Arena Sports Grill located in Phoenix. **Commissioner Kruglick** moved for approval. **Commissioner Ulan** seconded the motion. **All in favor.**

D. Summary of Current Events Affecting the Arizona Racing Commission

A.R.S. § 38-431.02(K) – Only Commission Members or the Director may report. No discussion or action may be taken on matters reported unless properly noticed for legal action or discussion.

E. Call to the Public

Those members of the public wishing to address the Commission must sign the signup sheet and be recognized by the Chair. Time permitting; each presentation will be given approximately five minutes. Action taken as a result of public comment will be limited to directing staff to study the matter or re-schedule the matter for further consideration at a later date.

Announcements

The next regular Commission meeting will be held **Thursday, September, 09, 2010, at 10:00 a.m.** in the Building Conference Room, Suite 250, at 1110 West Washington Street, Phoenix, Arizona 85007.

Adjournment

Commissioner Owens moved to adjourn the meeting. **Chair Ulan** seconded the motion. **All in Favor**
This public meeting adjourned at 10:50 a.m.

Dated this 6th day of August, 2010

Arizona Racing Commission

By Kim McCollum
Kim McCollum, Commission Secretary